



U.S. Department of Justice
United States Attorney
Western District of New York

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PRESS RELEASE

October 16, 2003

**COLORADO MAN INDICTED FOR ALLEGED INVOLVEMENT
IN MILLION DOLLAR STUDENT LOAN SCHEME
AFFECTING ROCHESTER BANK**

RE: UNITED STATES v. SHANE BYBEE

Michael A. Battle, the United States Attorney for the Western District of New York, together with John P. Higgins, Jr., the Inspector General of the United States Department of Education and William E. Kezer, Postal Inspector in Charge of the New York Division of the United States Postal Inspection Service announced that Shane Leon Bybee was indicted today by a federal grand jury in Rochester, New York for his involvement in a scheme to defraud the United States Department of Education and the Citibank Student Loan Corporation in Pittsford, New York of in excess of 40 million dollars in federal student loan funds.

Assistant U.S. Attorney Richard A. Resnick, who is handling the case, stated that Shane Bybee was charged with thirteen counts of bank fraud and thirteen counts of student loan education fraud for his role in a scheme to fraudulently obtain federal student loans in connection with alleged attendance at eligible post-secondary foreign institutions.

According to the indictment, between October 2001 and June of 2003, Shane Bybee submitted twelve fraudulent federal loan applications using his name, his brother's name and his mother's name requesting approximately \$220,000 in federal student loan proceeds. Each of the applications submitted to Citibank were fraudulent in that they falsely represented that Shane Bybee, his brother, Brian Bybee, and his mother, Diane Bybee, were enrolled or accepted for enrollment at the University of Oxford, New College, located in the United Kingdom.

The indictment further alleges that between June of 2003 and July of 2003, Shane Bybee submitted approximately 1,600 fraudulent federal student loan applications to Citibank requesting approximately \$29,600,000 and intended to submit another approximately 770 fraudulent federal student loan applications requesting approximately \$14,245,000 in federal student loan funds. Each of these applications were filed in the names of fictitious borrowers for their claimed attendance at various colleges in the United Kingdom.

Shane Bybee of Colorado Springs was arrested by OIG agents and Postal Inspectors on July 31, 2003 based upon a federal warrant issued by the United States District Court, Western District of New York.

SHANE BYBEE has been incarcerated since his July 31, 2003 arrest.

United States Attorney Battle praised the investigative efforts and assistance of the United States Department of Education, Office of the Inspector General, and the United States Postal Inspection Service.

It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

Assistant U.S. Attorney Resnick will be handling the trial in this case.

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